

**FINANCIAL STATEMENTS**  
**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**For year ended**  
**MARCH 31, 2012**

**INDEPENDENT AUDITOR'S REPORT**

To the members of

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

We have audited the accompanying financial statements of **COMMUNITY LIVING UPPER OTTAWA VALLEY**, which comprise the statement of financial position as at March 31, 2012 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of **COMMUNITY LIVING UPPER OTTAWA VALLEY** as at March 31, 2012 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



**CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS**

Pembroke, Ontario  
June 20, 2012.

Welch LLP – Chartered Accountants  
P.O. Box 757 - 270 Lake Street, Pembroke, Ontario K8A 6X9  
T: 613 735 1021 F: 613 735 2071 W: [www.welchllp.com](http://www.welchllp.com)  
An Independent Member of BKR International

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

(Incorporated Without Share Capital Under the Laws of the Province of Ontario)

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 494,706	\$ 442,292
Accounts receivable	42,270	56,817
Prepaid expenses	<u>893</u>	<u>1,592</u>
	<u>537,869</u>	<u>500,701</u>
<b>CAPITAL ASSETS (Note 4)</b>	<u>1,255,294</u>	<u>1,393,802</u>
<b>ASSETS OF THE REPLACEMENT RESERVE FUND</b>		
Cash and cash equivalents	82,595	52,042
Due from general fund	<u>9,365</u>	<u>30,444</u>
	<u>91,960</u>	<u>82,486</u>
	<u>\$ 1,885,123</u>	<u>\$ 1,976,989</u>
<b>LIABILITIES, DEFERRED CONTRIBUTIONS, AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 609,645	\$ 608,235
Long-term debt payable within one year	304,083	16,784
Owing to replacement reserve fund	<u>9,365</u>	<u>30,444</u>
	<u>923,093</u>	<u>655,463</u>
<b>LONG TERM DEBT (Note 5)</b>	392,197	408,982
Less amount due within one year	<u>304,083</u>	<u>16,784</u>
	<u>88,114</u>	<u>392,198</u>
<b>DEFERRED CONTRIBUTIONS (Note 6)</b>	<u>776,964</u>	<u>843,288</u>
<b>NET ASSETS (DEFICIT)</b>		
Replacement reserve fund (Note 7)	91,960	82,486
Internally restricted (Note 8)	184,545	166,951
Capital fund (Note 9)	86,133	141,532
Unrestricted	<u>(265,686)</u>	<u>(304,929)</u>
	<u>96,952</u>	<u>86,040</u>
	<u>\$ 1,885,123</u>	<u>\$ 1,976,989</u>

Approved by the Board:

C. Reavie Christine Reavie Director

K. Payne Karen Payne Director

(See accompanying schedules and notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**STATEMENT OF OPERATIONS**

**YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>		
Contributions - Province of Ontario	\$ 4,942,698	\$ 5,028,988
- United Fund	17,500	16,375
- other	16,288	18,915
Rental income	129,671	135,575
Nevada fundraising	22,404	16,113
Fundraising and donations	26,750	26,425
Amortization of deferred contributions related to capital assets (Note 6)	72,324	91,217
Membership fees	1,270	1,150
Interest and miscellaneous	<u>12,142</u>	<u>7,783</u>
	<u>5,241,047</u>	<u>5,342,541</u>
<b>EXPENDITURE:</b>		
Salaries	3,223,019	3,196,551
Employee benefits	588,383	577,172
Supplies and materials	47,517	56,874
Rent	51,970	51,790
Utilities and taxes	102,584	96,292
Repairs and maintenance	61,809	126,232
Insurance	32,980	31,681
Vehicle operating	40,658	35,049
Staff travel	85,779	74,705
Staff training	32,888	25,208
Minor furniture, equipment, and rentals	22,804	22,067
Purchased services	761,249	784,336
Advertising and promotion	3,724	7,402
Miscellaneous	10,824	9,238
Amortization of capital assets	148,511	184,257
Interest on long-term debt	<u>15,436</u>	<u>21,406</u>
	<u>5,230,135</u>	<u>5,300,260</u>
<b>NET REVENUE</b>	<u>\$ 10,912</u>	<u>\$ 42,281</u>

(See accompanying schedules and notes)

**Welch LLP**

An Independent Member of BKR International

**COMMUNITY LIVING UPPER OTTAWA VALLEY  
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)  
YEAR ENDED MARCH 31, 2012**

	<u>Replacement Reserve Fund</u>	<u>Internally Restricted</u>	<u>Capital Fund</u>	<u>Unrestricted</u>	<u>2012</u>	<u>2011</u>
Net assets (deficit) at beginning of year	\$ 82,486	\$ 166,951	\$ 141,532	\$ (304,929)	\$ 86,040	\$ 43,759
Net revenue (expenditure)	9,474	17,594	(59,399)	43,243	10,912	42,281
Invested in capital assets	-	-	4,000	(4,000)	-	-
Net assets (deficit) at end of year	<u>\$ 91,960</u>	<u>\$ 184,545</u>	<u>\$ 86,133</u>	<u>\$ (265,686)</u>	<u>\$ 96,952</u>	<u>\$ 86,040</u>

(See accompanying schedules and notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Net revenue	\$ 10,912	\$ 42,281
Adjustments for:		
Amortization of capital assets	148,511	184,257
Amortization of deferred contributions related to capital assets	(72,324)	(91,217)
Net revenue of replacement reserve fund	<u>(9,474)</u>	<u>(22,770)</u>
	77,625	112,551
Changes in non-cash working capital components:		
Accounts receivable	14,545	(22,068)
Prepaid expenses	699	(667)
Accounts payable and accrued liabilities	1,409	71,234
Owing to replacement reserve fund	<u>(21,079)</u>	<u>22,760</u>
	<u>73,199</u>	<u>183,810</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchase of capital assets	<u>(4,000)</u>	<u>(74,102)</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Repayment of long-term debt	<u>(16,785)</u>	<u>(118,573)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	52,414	(8,865)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>442,292</u>	<u>451,157</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 494,706</u>	<u>\$ 442,292</u>
Supplementary information:		
(a) Cash and cash equivalents consists of the following:		
Cash	\$ 349,706	\$ 328,292
Redeemable guaranteed investment certificate	<u>145,000</u>	<u>114,000</u>
	<u>494,706</u>	<u>442,292</u>
(b) Interest paid	<u>\$ (15,436)</u>	<u>\$ (21,406)</u>

(See accompanying schedules and notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Administrative Office</u>		<u>Community Employment Supports</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ -	\$ -	\$ 71,768	\$ 71,497
Fundraising and donations	6,071	2,420	-	-
Membership fees	1,270	1,150	-	-
Amortization of deferred contributions related to capital assets (Note 6)	50	50	-	-
Interest and miscellaneous	673	5,541	30	-
	<u>8,064</u>	<u>9,161</u>	<u>71,798</u>	<u>71,497</u>
<b>EXPENDITURE:</b>				
Salaries	257,715	211,983	52,762	48,357
Employee benefits	54,160	46,866	10,239	10,719
Supplies and materials	8,956	15,306	401	904
Rent	3,950	3,625	1,753	1,554
Utilities and taxes	4,164	3,798	1,309	1,047
Repairs and maintenance	13,044	11,812	24	65
Insurance	6,123	5,744	121	121
Staff travel	2,602	2,752	1,753	1,591
Staff training	1,082	3,502	258	694
Minor furniture, equipment and rentals	1,185	8,947	22	29
Purchased services	82,773	38,456	116	537
Advertising and promotion	1,156	7,064	39	-
Miscellaneous	9,824	8,238	-	-
Amortization of capital assets	34,220	48,753	-	-
Overhead allocation	(455,683)	(437,581)	6,434	6,435
	<u>25,271</u>	<u>(20,735)</u>	<u>75,231</u>	<u>72,053</u>
<b>NET (EXPENDITURE) REVENUE</b>	<u>\$ (17,207)</u>	<u>\$ 29,896</u>	<u>\$ (3,433)</u>	<u>\$ (556)</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Community Access Supports</u>		<u>Community Respite Supports</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ 1,236,177	\$ 1,240,136	\$ 158,613	\$ 163,416
- other	16,288	16,395	-	-
Fundraising and donations	-	-	60	-
Interest and miscellaneous	476	-	-	-
	<u>1,252,941</u>	<u>1,256,531</u>	<u>158,673</u>	<u>163,416</u>
<b>EXPENDITURE:</b>				
Salaries	765,774	783,280	17,965	25,599
Employee benefits	144,187	145,132	3,519	3,710
Supplies and materials	3,513	5,567	362	577
Rent	38,701	39,470	364	518
Utilities and taxes	19,513	19,027	6,054	6,510
Repairs and maintenance	3,374	2,575	5,016	281
Insurance	5,906	5,862	1,049	987
Vehicle operating	9,536	7,460	-	-
Staff travel	31,490	28,116	1,557	170
Staff training	4,903	4,952	456	500
Minor furniture, equipment, and rentals	763	465	46	61
Purchased services	101,732	108,241	103,650	108,284
Advertising and promotion	611	281	80	-
Overhead allocation	115,082	111,612	15,639	14,707
	<u>1,245,085</u>	<u>1,262,040</u>	<u>155,757</u>	<u>161,904</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>\$ 7,856</u>	<u>\$ (5,509)</u>	<u>\$ 2,916</u>	<u>\$ 1,512</u>

(See accompanying notes)



**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Adult Living Supports</u>		<u>Associate Living Supports</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ 1,456,818	\$ 1,369,485	\$ 278,838	\$ 314,658
Interest and miscellaneous	<u>560</u>	<u>-</u>	<u>109</u>	<u>-</u>
	<u>1,457,378</u>	<u>1,369,485</u>	<u>278,947</u>	<u>314,658</u>
<b>EXPENDITURE:</b>				
Salaries	880,633	786,432	79,972	92,991
Employee benefits	160,796	147,278	16,167	16,177
Supplies and materials	3,382	3,559	547	721
Rent	19,034	18,602	3,196	3,107
Utilities and taxes	15,376	13,871	2,547	1,544
Repairs and maintenance	527	881	85	176
Insurance	4,696	4,400	181	200
Vehicle operating	3,651	7,730	-	-
Staff travel	28,128	25,072	2,524	2,029
Staff training	5,210	5,878	1,091	1,219
Minor furniture, equipment and rentals	2,670	533	1,390	121
Purchased services	203,943	235,436	140,903	169,038
Advertising and promotion	710	-	148	-
Overhead allocation	<u>128,633</u>	<u>123,254</u>	<u>27,790</u>	<u>28,319</u>
	<u>1,457,389</u>	<u>1,372,926</u>	<u>276,541</u>	<u>315,642</u>
<b>NET (EXPENDITURE) REVENUE</b>	<u>\$ (11)</u>	<u>\$ (3,441)</u>	<u>\$ 2,406</u>	<u>\$ (984)</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Group Living Supports</u>		<u>Community Support Foundations</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ 1,461,427	\$ 1,472,171	\$ 201,561	\$ 209,901
- other	-	2,520	-	-
Rental income	91,625	96,000	-	-
Fundraising and donations	1,575	-	-	-
Amortization of deferred contributions related to capital assets (Note 6)	67,745	86,638	-	-
Interest and miscellaneous	557	-	141	-
	<u>1,622,929</u>	<u>1,657,329</u>	<u>201,702</u>	<u>209,901</u>
<b>EXPENDITURE:</b>				
Salaries	1,002,438	1,067,262	139,995	151,310
Employee benefits	174,813	172,047	20,599	31,324
Supplies and materials	8,364	6,772	396	488
Rent	3,001	3,086	2,235	2,093
Utilities and taxes	32,212	28,856	1,810	1,363
Repairs and maintenance	20,782	23,927	62	120
Insurance	9,707	9,450	342	373
Vehicle operating	27,471	19,859	-	-
Staff travel	11,211	10,427	5,815	4,457
Staff training	19,087	6,153	740	2,310
Minor furniture, equipment and rentals	14,106	3,353	59	85
Purchased services	90,358	69,982	19	1,233
Advertising and promotion	714	-	106	-
Amortization of capital assets	75,535	96,748	-	-
Overhead allocation	140,532	132,496	19,792	18,891
	<u>1,630,331</u>	<u>1,650,418</u>	<u>191,970</u>	<u>214,047</u>
<b>NET (EXPENDITURE) REVENUE</b>	<b>\$ (7,402)</b>	<b>\$ 6,911</b>	<b>\$ 9,732</b>	<b>\$ (4,146)</b>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Mackay Street Apartments</u>		<u>Dedicated Housing Support</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ -	\$ -	\$ 56,501	\$ 90,365
Rental income	22,200	22,200	15,846	17,375
Amortization of deferred contributions related to capital assets (Note 6)	4,529	4,529	-	-
Interest and miscellaneous	-	-	109	86
	<u>26,729</u>	<u>26,729</u>	<u>72,456</u>	<u>107,826</u>
<b>EXPENDITURE</b>				
Salaries	8,258	8,029	-	3,515
Employee benefits	1,442	1,402	-	1,191
Supplies and materials	663	461	401	1,324
Utilities and taxes	6,495	7,130	13,075	13,146
Repairs and maintenance	3,060	3,542	11,828	30,537
Insurance	1,301	1,221	3,555	3,323
Minor furniture, equipment, and rentals	-	-	416	-
Purchased services	1,498	1,177	5,248	5,357
Advertising and promotion	-	10	155	34
Amortization of capital assets	4,529	4,529	25,534	25,534
Interest on long-term debt	-	-	15,436	16,229
	<u>27,246</u>	<u>27,501</u>	<u>75,648</u>	<u>100,190</u>
<b>NET (EXPENDITURE) REVENUE</b>	<u>\$ (517)</u>	<u>\$ (772)</u>	<u>\$ (3,192)</u>	<u>\$ 7,636</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Hunter Street Property</u>		<u>Partner Facility Renewal</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ -	\$ -	\$ 119	\$ 12,000
Rental income	<u>20,265</u>	<u>20,265</u>	<u>-</u>	<u>-</u>
	<u>20,265</u>	<u>20,265</u>	<u>119</u>	<u>12,000</u>
<b>EXPENDITURE:</b>				
Repairs and maintenance	4,001	4,228	-	9,978
Minor furniture, equipment, and rentals	-	-	2,141	-
Interest on long-term debt	-	5,177	-	-
Amortization of capital assets	<u>8,693</u>	<u>8,693</u>	<u>-</u>	<u>-</u>
	<u>12,694</u>	<u>18,098</u>	<u>2,141</u>	<u>9,978</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>\$ 7,571</u>	<u>\$ 2,167</u>	<u>\$ (2,022)</u>	<u>\$ 2,022</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Nevada Fundraising</u>		<u>Fundraising/Bequests/Mural and Summer Program</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - United Fund	\$ -	\$ -	\$ 17,500	\$ 16,375
Fundraising and donations	22,404	16,113	19,044	24,005
Interest and miscellaneous	<u>4</u>	<u>2</u>	<u>-</u>	<u>2,154</u>
	<u>22,408</u>	<u>16,115</u>	<u>36,544</u>	<u>42,534</u>
<b>EXPENDITURE:</b>				
Supplies and materials	13,774	8,848	6,720	12,347
Staff travel	-	-	-	91
Purchased services	-	-	19,864	29,103
Advertising and promotion	-	-	-	13
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
	<u>13,774</u>	<u>8,848</u>	<u>27,584</u>	<u>42,554</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>\$ 8,634</u>	<u>\$ 7,267</u>	<u>\$ 8,960</u>	<u>\$ (20)</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Person Directed Planning</u>		<u>Passports</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ -	\$ 18,027	\$ 20,876	\$ 20,749
Interest and miscellaneous	-	-	9,483	-
	<u>-</u>	<u>18,027</u>	<u>30,359</u>	<u>20,749</u>
<b>EXPENDITURE:</b>				
Salaries	-	6,027	17,507	11,766
Employee benefits	-	-	2,461	1,326
Supplies and materials	-	-	38	-
Utilities and taxes	-	-	29	-
Repairs and maintenance	-	-	6	-
Staff travel	-	-	699	-
Staff training	-	-	61	-
Minor furniture, equipment, and rentals	-	-	6	-
Purchased services	-	12,000	11,145	5,492
Advertising and promotion	-	-	5	-
Overhead allocation	-	-	1,781	1,867
	<u>-</u>	<u>18,027</u>	<u>33,738</u>	<u>20,451</u>
<b>NET (EXPENDITURE) REVENUE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,379)</u>	<u>\$ 298</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2012**

	<u>Social Housing</u>	
	<u>Renovation and Retrofit</u>	
	<u>2012</u>	<u>2011</u>
<b>REVENUE:</b>		
Contributions - Province of Ontario	\$ -	46,583
<b>EXPENDITURE:</b>		
Repairs and maintenance	-	38,110
Minor furniture, equipment, and rentals	-	8,473
	<u>-</u>	<u>46,583</u>
<b>NET REVENUE</b>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2012**

**NOTE 1 ORGANIZATION AND PURPOSE**

The Community Living Upper Ottawa Valley is incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act.

The organization provides individualized supports and services to people with developmental disabilities so they may enjoy safe, secure, productive lives. Furthermore, the organization promotes acceptance and the elimination of barriers to community living.

The goal of the organization is that all persons live in a state of dignity, share in all elements of living in the community and have the opportunity to participate effectively.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared by management in accordance with the policies established by the Accounting Standards Board of the Canadian Institute of Chartered Accountants as they apply to not-for-profit organizations.

**Revenue recognition**

Under several provincial acts and the regulations thereto, the organization is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Community and Social Services. These financial statements reflect agreed funding arrangements approved by the Ministry with respect to the year ended March 31, 2012.

The organization follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Where a portion of an externally restricted contribution relates to a future period, it is deferred and recognized in the subsequent period. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Interest income is recognized as revenue is earned.

Rental revenue is recognized when earned and collection is reasonably assured.

**Cash and cash equivalents**

Cash and cash equivalents include cash and a redeemable guaranteed investment certificate.



**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2012**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Capital assets and amortization**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution, if determinable.

In accordance with agreements with the Ministry of Community and Social Services, amortization is provided annually in an amount equal to the principal reduction of the mortgages payable secured by the real estate acquired for the Dedicated Housing Support Program.

Amortization for capital assets is provided on a straight-line basis over their estimated useful lives generally using annual rates of 5% for real estate and leasehold improvements and 20% for all other capital assets.

**Compensated absences**

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the organization's benefits plan for vacation pay.

**Contributed services**

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**NOTE 3 NEW ACCOUNTING STANDARDS**

In December, 2008, the Canadian Institute of Chartered Accountants decided to defer the requirement for not-for-profit organizations to adopt Handbook Sections 3862 (Financial Instruments - Disclosure) and 3863 (Financial Instruments - Presentation) and to permit these organizations to continue to apply Section 3861 (Financial Instruments - Disclosure and Presentation) instead. Since new financial instrument standards for not-for-profit organizations are forthcoming, the organization has decided to continue to apply Section 3861 and has not adopted Sections 3862 and 3863.

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2012**

**NOTE 4 CAPITAL ASSETS**

Capital assets and accumulated amortization consist of the following:

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Real Estate				
Dedicated Housing Support Program	\$ 567,441	\$ 462,058	\$ 567,441	\$ 436,524
Mackay Street	110,586	73,572	110,586	69,043
New Places to Live	456,694	153,859	456,694	134,627
Heritage Drive	296,290	93,201	296,290	79,887
Hunter Street	205,786	51,361	205,786	42,669
Steffen Street	407,827	122,348	407,827	101,957
Leasehold improvements	229,213	114,607	229,213	103,146
Furniture and equipment	369,175	325,509	359,175	300,886
Computer equipment	146,989	138,192	146,989	130,666
Vehicles	<u>256,824</u>	<u>256,824</u>	<u>256,824</u>	<u>243,618</u>
	<u>3,046,825</u>	<u>\$ 1,791,531</u>	<u>3,036,825</u>	<u>\$ 1,643,023</u>
Less accumulated amortization	<u>1,791,531</u>		<u>1,643,023</u>	
	<u>\$ 1,255,294</u>		<u>\$ 1,393,802</u>	

**NOTE 5 LONG-TERM DEBT**

Long-term debt consists of the following:

	<u>2012</u>	<u>2011</u>
Mortgage payable - due June 1, 2015 and payable in monthly instalments of \$719 including interest at 2.76% per annum. Secured by land and building of the Dedicated Housing Support Program.	\$ 94,236	\$ 100,181
Mortgage payable - due March 1, 2013 and payable in monthly instalments of \$1,971 including interest at 4.2518% per annum. Secured by land and building of the Dedicated Housing Support Program.	<u>297,961</u>	<u>308,801</u>
	<u>\$ 392,197</u>	<u>\$ 408,982</u>

Principal payments during the next five years on existing long-term debt are as follows:

2013	\$ 304,083
2014	\$ 6,287
2015	\$ 6,461
2016	\$ 75,366

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2012**

**NOTE 6 DEFERRED CONTRIBUTIONS**

Deferred contributions represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations at a rate corresponding with the amortization rate for the related capital assets.

Deferred contributions related to capital assets consist of the following:

	<u>2012</u>	<u>2011</u>
Balance at beginning of year	\$ 843,288	934,506
Contributions received during the year:		
Province of Ontario capital grants	6,000	-
Less amounts amortized to revenue	<u>(72,324)</u>	<u>(91,217)</u>
Balance at end of year	\$ <u>776,964</u>	\$ <u>843,288</u>

**NOTE 7 REPLACEMENT RESERVE FUND**

As specified by the Ministry of Community and Social Services the organization must maintain a replacement reserve fund for the Dedicated Housing Support Program. The amount and disposition of the reserve fund is subject to the direction and approval of the Ministry of Community and Social Services.

During the year funding of \$9,365 (2011 - \$35,466) was received from the Province of Ontario for the replacement reserve fund and \$0 (2011 - \$12,781) was spent from the reserve fund for repairs and maintenance as approved by the Ministry.

**NOTE 8 INTERNALLY RESTRICTED NET ASSETS**

Internally restricted net assets of \$184,545 (2011 - \$166,951) represents fundraising, bequests and donations designated by the board of directors to be applied towards expenditures in future years. This internally restricted amount is not available for unrestricted purposes without approval of the board of directors and is comprised of the following:

	<u>Nevada</u>	<u>Fundraising/</u>	<u>Total</u>	<u>Total</u>
	<u>Fundraising</u>	<u>Bequests/Mural</u>	<u>2012</u>	<u>2011</u>
		<u>&amp; Summer</u>		
		<u>Program</u>		
Balance at beginning of year	\$ 15,658	\$ 151,293	\$ 166,951	\$ 159,704
Net revenue	<u>8,634</u>	<u>8,960</u>	<u>17,594</u>	<u>7,247</u>
Balance at end of year	\$ <u>24,292</u>	\$ <u>160,253</u>	\$ <u>184,545</u>	\$ <u>166,951</u>

**NOTE 9 CAPITAL FUND**

Capital fund balance is as follows:

	<u>2012</u>	<u>2011</u>
Capital assets	\$ 1,255,294	\$ 1,393,802
Amounts financed by:		
Long-term debt	(392,197)	(408,982)
Deferred contributions	<u>(776,964)</u>	<u>(843,288)</u>
	\$ <u>86,133</u>	\$ <u>141,532</u>

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2012**

**NOTE 10 COMMITMENT**

The organization has entered into a commitment in respect of the lease of premises for the administrative office. The lease provides for an annual rental of \$50,000 to November 30, 2012 plus municipal taxes and other occupancy charges with an option to renew for two additional five year periods at a rental to be negotiated. The administrative office rent is allocated to programs as applicable based on usage.

**NOTE 11 PENSION PLAN**

All full time permanent employees of the organization are eligible to be members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS during the year was \$210,585 (2011 - \$179,541) for current service and is included as an expenditure in the Statement of Operations.

**NOTE 12 FINANCIAL INSTRUMENTS**

The corporation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt.

**Risk**

It is management's opinion that the corporation is not exposed to significant interest, currency or credit risks arising from its financial instruments.

**Fair market value**

The fair value of the cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature. It is not practicable to determine the fair value of long-term debt. The terms and conditions of the long-term debt are disclosed in note 5 to the financial statements.

**NOTE 13 INTERNAL REVENUE AND EXPENDITURE TRANSACTION**

Rent income of \$20,265 (2010 - \$20,265) reported in the supplementary schedule of operations - by program for the Hunter Street Property represents an internal charge to the Community Access Supports Program for the use of the premises in that program.